

What is the impact of prescription drug pricing on health care costs?

For over a decade, **Massachusetts has had the highest health insurance coverage rate in the nation with nearly 98% of residents covered.** Establishing a single payor, government-run health care system or public option in Massachusetts will dramatically increase taxes on residents and businesses making the state uncompetitive. It would also **undermine the work the state has done to reach near universal access, lower costs, and improve health care quality.** The single payor debate ignores our state's near universal coverage achievements and distracts from the critical work we must do to control health care costs for employers and consumers, including controlling prices charged by providers and the exorbitant increases in prescription drug costs.

2025-2026 Legislative Session

This legislative session, **8 bills** have been filed to eliminate or undermine private health insurance coverage in Massachusetts, including the following:

- Establishing Medicare for All in Massachusetts, funded through tax hikes for employers, small businesses, and consumers. ([HB1405 Sabadosa/SB860 Eldridge](#))
- Establishing a Public Option on the MA Health Connector, further diluting the merged market. ([HB1246 Lewis/SB859 Eldridge](#))
- Directing CHIA and the HPC to establish a single payor benchmark to study and implement a single payor system ([SB849 Cyr/SB889 Mark](#))

Talking Points

Raising Taxes

To support a government-run single payor health care system or a public option, Massachusetts will need to dramatically increase taxes on residents and businesses. Raising taxes will significantly affect the state's economy, making Massachusetts less competitive with other states.

A government-run health care system will continue to face the same challenges that the Commonwealth currently faces – increasing prices for prescription drugs, greater demand for new technology, and costs incurred by advances in treatment procedures – any administrative savings associated with a single payor system will not be sufficient to ensure coverage for every resident of the Commonwealth without a massive tax increase.

Talking Points

Consumer Spending Increase

In 2002, a state report by LECG for the Legislature's Advisory Committee on Consolidated Health Care Financing concluded that a government-run health care system in Massachusetts would force consumers and employers to pay billions more for health care. Specifically, the report found that a government-run system in Massachusetts would cost between \$3 billion and \$6 billion above current health care spending. The costs would certainly be more significant today.

Quality Concerns

There are serious quality concerns associated with government-run, single payor systems. The evidence demonstrates that these systems fail to provide timely access to high-quality, innovative medical care to all individuals.

A government-run system will not address the cost drivers of the state but instead exacerbate accessibility issues and impact quality of care for residents.

Increasing Demand

A 2020 report from the Congressional Budget Office (CBO) noted that implementation of a government-run system would increase demand for access to care, resulting in longer wait times for care. While effects on access to care may differ based on geographic regions, increased demand coupled with the potential for reduction in workforce would trigger delays in treatment particularly for specialty care.

Economic Disadvantage

A 2017 report by the California Senate Committee on Appropriations found it would cost \$400 billion to create a publicly funded universal health care system. California would have to find an additional \$200 billion per year, including new tax revenues, to create a single payor system. A joint analysis by RAND Corporation and the New York State Health Foundation released in August 2018 estimated that to establish a single-payor program, the state of New York would need to spend \$139 billion, nearly the size of the state's annual budget. The tax burden on residents would be too great and would leave states at an extreme economic disadvantage compared to other states.

Quality and Satisfaction

Massachusetts health plans continually set the standard for the rest of the country for clinical quality and member satisfaction, consistently ranked among the nation's best by the National Committee for Quality Assurance's (NCQA) and offering innovative programs that improve quality, coordinate care, and integrate medical care, behavioral health and substance abuse services, and pharmacy benefits to meet the specific needs of their members.